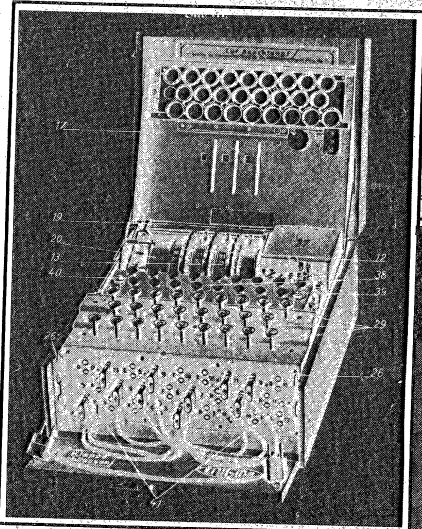


Case Called for a Prosecution Last Week

Giving the Espionage Laws a New Look

The Enigma cipher machine, a coding device used by the Germans in World War II, which the allies cracked and exploited; Ronald W. Pelton, former National Security Agency employee.



By STEPHEN ENGELBERG

THE issue of the hour was spies and their relentless assault on the national defense. Every day, it seemed, came fresh revelations about the hemorrhage of this country's most sensitive secrets. America was in a panic about threats from abroad.

That was in 1950, the year Congress rewrote the nation's espionage laws. Three-and-a-half decades later, with the country once again obsessed with spies, one of those statutes has emerged as a central element in a confrontation between the press and Government. The law sets a maximum sentence of 10 years in jail and a \$10,000 fine for anyone who publishes classified information obtained through intercepted communications. It also covers similar secret information on American codes or techniques for intercepting communications.

William J. Casey, the Director of Central Intelligence, last week asked the Justice Department to consider bringing the first prosecution ever under the law against NBC News for a story it aired on the damage caused by Ronald W. Pelton, a former employee of the National Security Agency who is on trial for espionage. The network broadcast a one-sentence description of an eavesdropping project involving subma-

lines that he is alleged to have disclosed to the Soviet Union.

After several weeks of negotiations with the White House, The Washington Post last week published a story about Mr. Pelton, but without many details officials had claimed would be potentially damaging to national security. A spokesman for the C.I.A. said a recommendation that the newspaper be prosecuted was under consideration.

Speaking to the American Jewish Committee, Mr. Casey asserted there had been "widespread violation" of the 1950 statute in recent months and said this was hampering American efforts to ward off terrorism. But thus far, the Justice Department has been cool to Mr. Casey's suggestions for prosecuting the press. "Don't forget, we pride ourselves on being an independent branch of the Government, over here," stressed one Department official. Meanwhile, the National Security Council is said to have begun a broad study to determine if new measures to prevent disclosures of sensitive information are needed.

The 1950 restrictions on communications intelligence were enacted in the wake of a growing awareness of the Government's abilities to intercept transmissions and break codes—and the need to keep those abilities secret. A 1948 Congressional assessment of the sneak attack on Pearl Harbor, which detailed American capabilities for reading Japanese codes

before and during the war, was frequently cited in the debate over how best to protect communications intelligence. Further proof of the importance of eavesdropping on an enemy emerged years later, when it was revealed the allies had cracked the mysteries of Nazi Germany's Enigma encoding machine.

The report on Pearl Harbor concluded with a recommendation that the unauthorized publication of any classified material should be regarded as a crime. But Congress eventually decided instead to limit its law to what the House Judiciary Committee termed "a small degree of classified matter, a category which is both vital and vulnerable to almost a unique degree."

Since then, the press has come to pay an increasing amount of attention to American foreign and defense policies. And until recently, Government officials had by and large been willing to live with a certain amount of disclosure of classified information as the price paid for discussion of such issues in a democracy.

Mr. Casey believes that, among other factors, international terrorism has fundamentally changed the equation. "If we are to protect our security as a nation and the safety of our citizens," he told the American Jewish Committee, "the law now on the books to protect a very narrow segment of information, that dealing with communications intelligence, must now be enforced."

Walker Lives Up to His Star Billing

By KATHERINE BISHOP

WHEN a verdict depends heavily on the testimony of a single witness, there comes a time when that witness goes on trial along with the defendant. A case in point: the espionage proceedings against Jerry A. Whitworth, which for the last few weeks temporarily became a trial of the Government's star witness, John A. Walker Jr.

Mr. Walker, who has acknowledged spying for 17 years and recruiting his son and older brother to steal military data that he sold to the Soviet Union, did not have a trial of his own. He pleaded guilty to espionage along with his son, Michael L. Walker, in Baltimore in October. His brother, Arthur J. Walker, did not take the stand at his own brief trial in which he was convicted in Norfolk, Va., in August.

Thus, John Walker's testimony at Mr. Whitworth's trial was more than the presentation of crucial evidence to bolster the prosecution's allegations that the defendants stole sensitive Navy cryptographic data and messages and passed them to Mr. Walker in exchange for \$332,000 over a 10-year period. It was also the first and only chance for the jury and the public to assess Mr.

Walker's truthfulness and, in the process, got a close-up look at America's First Family of Espionage.

The courtroom heard from a handful of Walkers: John, the seemingly unremorseful peddler of military secrets; Arthur, the mousy older brother who had financial problems; Michael, the son who stole to please his dad; Barbara Joy Crowley Walker, the former wife who finally blew the whistle; and Laura Walker Snyder, the daughter who served as the catalyst who moved her mother to action.

For a time prosecutors struggled to keep what they have characterized as the most important espionage case in the last 30 years from degenerating into a soap opera. Spectators were left with a host of titillating questions that nearly overshadowed the matter of Mr. Whitworth's guilt or innocence. Did John threaten to kill Laura's husband if he disclosed John's spying activities to authorities? Did John tell Barbara to become a prostitute to pay the family bills? Did Barbara have an affair with Arthur while she was still married to John?

For his part, John Walker stuck to his story that he originally recruited Mr. Whitworth to steal secrets when they served as Navy radiomen in 1974 in San Diego, after determining to his own satisfaction that the defendant "had larceny in his heart." But Mr. Walker also appeared to hurt the prosecution by insisting that he never

told any of his recruits, including Mr. Whitworth, that the stolen materials were destined for the Soviet Union.

Arthur Walker, a retired Navy officer, substantiated John Walker's story that he stole classified military data from the defense contractor for whom he worked and passed it to his brother. But on the topic of Mr. Whitworth, he could only say that John Walker told him that a person on the West Coast was also involved.

Michael Walker testified that his mother told him when he was 13 years old that his father was spying for the Soviet Union, but he did not believe her until years later, when John Walker recruited him. He told of a manipulative father who was pleased that his son "had carried to which he was assigned."

His older sister, Laura Walker Snyder, testified about their father's unsuccessful attempts to enlist her as a spy while she was in the Army. Like her younger brother, she said she knew Mr. Whitworth but did not know if he was involved with her father's illegal activities.

Barbara Joy Crowley Walker said she told Mr. Whitworth in 1973 that she knew her husband was trying to recruit him as a spy. Three years later, she said, she reassured Mr. Whitworth that she would not turn her husband in just because they were about to file for divorce.



Jerry A. Whitworth

the eight Latin American states that have served in the negotiations. The possibility remains that the Contadora treaty at the last minute, prospect that concerns some members of the Reagan Administration. If Nicaragua signs, President Reagan could have an extremely hard time persuading Congress to approve his request for renewed military aid to the anti-Sandinista guerrillas operating out of Honduras. The Contadora treaty rules out such outside assistance, to rebel forces in the region, taking away the President's favorite form of pres-

gua will be but will not deny Sandinistas are just as refusing to sign for the reason that limiting the scope of the Sandinista revolution might cost too much politically. But if they refuse to sign, President Reagan would be more likely to win Congressional approval for aid to the rebels. Nicaragua is now virtually without friends in Central America; the Reagan Administration is encouraging even greater hostility. And the Sandinistas seem to feel that how they handle the Contadora treaty is likely to be important in the ultimate success or failure of their revolution.

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Anti-Sandinista rebels firing an anti-aircraft gun; a Soviet-supplied Mi-24 helicopter in Nicaragua.

A Hijacking Provides a Lesson in Politics

China and Taiwan Are As Far Apart As Ever

By JOHN F. BURNS

JUST as a family feud can bring out the worst in all concerned, so China and Taiwan displayed some of their less admirable characteristics last week as they struggled over the disposition of the Taiwanese jumbo jet diverted to the mainland May 3.

As the week ended, the Communists handed the aircraft and two of its three crewmen back to China Airlines, Taiwan's flag carrier, in Hong Kong. The third crewman, Capt. Wang Hsi-chueh remained in China, the fate he apparently chose when he landed in Canton during a scheduled cargo run from Bangkok to Hong Kong. Returning to Taipei, the co-pilot, Tung Kung-shin, and flight engineer, Chiu Ming-chiu, described a fight in the cockpit during the descent toward Hong Kong. They said Captain Wang chained and handcuffed the co-pilot to his seat and threatened him with a fax unless the others agreed to land in Canton.

To some skeptics in the Western community in Peking, the saga had the earmarks of those melodramatic old Chinese operas whose villains were irredeemable blackguards.

If the captain wanted to be reunited with his aging father and was tired of corruption in Taiwan, as he insisted at a Peking news conference, why did he not contact mainland representatives in Hong Kong, as many other Taiwanese have done?

And was it credible that a 55-year-old captain could overpower two others in an aircraft cockpit, so terrorizing them that they were helpless to prevent an action deemed tantamount to treason in Taiwan?

But if such questions implied that there might have been more to the incident than either side wished to let on, they also missed some larger points that offered little credit to either side.

In releasing the aircraft in Peking, the Civil Aviation Administration of China presented itself in an avuncular guise, affable and eager to do the right thing. Its Hong Kong representatives sanctimoniously stressed that in

the interest of "friendship" the two returning crew members would not be charged for their meals in Canton. The spokesmen evidently hoped it would pass unnoticed that the crewmen had been held against their will, in effect as hostages, while the two airlines maneuvered to score political points.

In the end, the mainland authorities did all that the guardians of international aviation could have asked. But, in delaying the return of the aircraft and crew for nearly three weeks, and attempting to oblige the Taiwan airline to send a recovery crew to Canton, the Communists, prejudiced the posture of reasonableness they finally adopted.

This suggested a confusion of objectives between those who wanted to put Taiwan over a barrel and those who believed that the best that could come of the affair would be the good will to be generated in Taiwan by resolving the matter in the most accommodating way.

In the outcome, Taiwan escaped being forced into the kowtow involved in a mission to Canton. But by attempting to secure it, Peking once more demonstrated the coercive reflexes that it might better have kept out of sight.

Indirect Contacts

On the other side, President Chiang Kung-kuo of Taiwan and his associates hardly distinguished themselves before their own people or the world. No one who visits Taiwan and talks to its senior officials can escape the sense of pervasive mustiness in attitudes toward the mainland.

At a time when Deng Xiaoping and his fellow leaders in Peking have repeatedly put forward proposals designed to initiate a dialogue, the rulers in Taipei have stuck rigidly to their "three no" policy — no contact, no negotiation, no compromise. Even the most innocuous communications with relatives on the mainland by telephone or letter are forbidden.

In fact, thousands of Taiwanese travel to the mainland each year through Hong Kong, collecting travel documents in the British colony. Many Taiwan businessmen have developed trading ties with the Communists, and indirectly through Hong Kong.

Neither activity has undermined Taiwan's security, and the Taipei authorities have made no such claim. What is left is a policy that speaks for the gerontocracy that holds all effective power in Taipei, men in their 70's and 80's (Chiang Kung-kuo is 70) who are steeped in the bitterness of the now-distant civil war.

To them, direct communication with the Communists would imply something that Mr. Chiang and his father, Generalissimo Chiang Kai-shek, never have conceded: that the civil war was lost and that talk of recovering the mainland is a sham.

Some analysts, notably in Hong Kong, described the agreement to allow China Airlines to negotiate directly with its Communist counterpart for the return of the plane as a "historic" breach of the no-contact policy.

But even opposition figures in Taipei who have been pushing for a more flexible attitude toward the mainland were unlikely to see the largely formulate exchanges in Hong Kong as a basis on which to proceed to the larger, and in all likelihood intractable, problems that separate the two sides.

Israel Wants Shultz to Get Things Rolling

Diplomatic Doldrums in The Mideast



Abraham D. Sofaer (right), State Department legal adviser, with Nabil al-Arabi, head of Egyptian delegation to the Taba talks, in Herlitzia, Israel, last week.

By DAVID K. SHIPLER

THESE days in Washington, the Middle East peace process is being discussed largely in the past tense. Officials, diplomats, Middle Eastern visitors and academic specialists have been conducting post-mortems on the failed effort, undertaken from February 1985 to February 1986, to launch negotiations between Israel and a Jordanian-Palestinian delegation on the future of the Israeli-occupied West Bank and Gaza Strip. Each party blames another, of course, for missing the "window of opportunity" that followed the fragmentation of the Palestine Liberation Organization after Israel's 1982 invasion of Lebanon. The window slammed shut in February, when talks failed between King Hussein of Jordan and Yasser Arafat, the P.L.O. leader. Since then, United States diplomatic activity has been in something of a lull.

Last week, Israel's Prime Minister, Shimon Peres, sent a special envoy, Ezer Weizman, to Washington to try to stir Secretary of State George P. Shultz's interest in visiting the Middle East for a fresh attempt at reviving the peace process. It seemed an act of desperation for Mr. Peres, his last chance to get something going before

next fall, when the coalition agreement that brought him to power in 1984 requires him to relinquish his post to his governing partner, Foreign Minister Yitzhak Shamir, who opposes any dilution of Israeli sovereignty over the occupied territories. But Mr. Peres's plea to Secretary Shultz apparently contained no new ideas for breaking the impasse. And Mr. Shultz, bitter over the collapse of a 1983 Israeli-Lebanese security accord that he brokered personally, has shown no appetite since then for direct involvement in another risky venture. Instead, the Administration's recent diplomacy has been left to middle-level officials without the high-ranking activism that marked President Jimmy Carter's success in helping Israel and Egypt toward their 1979 peace treaty.

Demand for Statehood

This new American reluctance relies on the argument that the Arabs and Israelis must come to negotiations themselves, that their repeated appeals for Washington's mediation simply mask their profound disagreements, especially on the central issue: the Palestinians' demand for statehood. At times, the American absence also induces the parties to do their own exploration, as President Hosni Mubarak of Egypt demonstrated by approaching King Hussein recently with a suggestion for an Egyptian-sponsored Palestinian legislative council in the Gaza Strip as a step toward autonomy there.

But the low-key approach also has its costs, for the Middle East is not a place that improves with neglect. Like an unruly garden, it deteriorates rapidly unless it is weeded and pruned. The United States agreed to help settle a minor Israel-Egypt border dispute over the Taba area, as, inevitably, Israelis and moderate Arabs look to the United States for mediation, as the only outside power that has good relations on both sides. "For countries like Jordan and Egypt, who have counted on American initiative, the relatively passive stance sends a signal of disinterest," said William B. Quandt, a Middle East specialist at the Brookings Institution who advised President Carter. "For someone like Hussein, it makes him retreat from center stage."

King Hussein was reported to have drawn broad conclusions about a lack of American will from President Reagan's failure to press hard last fall for Congressional approval of an arms sale to Jordan. The King is described by aides as angrily disappointed after having thought that he had won the President's commitment for a vigorous effort as a crucial sign of White House mettle in confronting Israel and its supporters, who opposed the sale. In February, the Jordanian leader retreated after a year-long effort to bring Mr. Arafat into an endorsement of talks with Israel, charging that the P.L.O. leadership had agreed and then reneged on an endorsement of Security Council resolutions 242 and 338, considered as tantamount to recognizing Israel's right to exist.

The great omission from all these efforts has been Syria. The Government of President Hafez al-Assad is striving for military parity with Israel, is building new fortifications in southern Lebanon and is believed to have initiated terrorist attacks on Israelis and Americans. Syria is Israel's most potent enemy, and yet the United States has no leverage there. If outside influence exists, it lies in Moscow, a source of power to which neither the United States nor Israel wishes to turn.